

U.S. BUSINESS OPPORTUNITY

BALMACEDA AIRPORT MODERNIZATION MASTER PLAN PROJECT

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Promoting U.S. Exports, Supporting U.S. Jobs

Agencies across the U.S. government are partnering to help U.S. companies connect with buyers worldwide. Through a variety of resources, federal agencies can provide U.S. firms with the information and tools they need to compete for foreign contracts. From trade advocacy and export promotion efforts to matchmaker services and promoting the availability of export credits, federal agencies can support U.S. companies in selling their goods and services to the 95% of the world's consumers, who are located outside of the United States, by helping to create opportunities and to level the playing field.

For more information on this project, possible financing options and export opportunities in Chile, contact:

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Overview

The Feasibility Study for the Balmaceda Airport Modernization Master Plan Project provided information aimed at assessing the technical and financial viability of expanding and modernizing the Balmaceda Airport. The study provided an implementation plan to expand existing infrastructure and redesign terminal areas in order to accommodate current and forecasted passenger and cargo demand and allow the operation of larger type aircraft (Type C).

Project Description

Among the broad objectives of the Master Plan were:

- A demand-capacity analysis to assess development requirements based on projected air traffic demand
- A development plan that identifies and prioritizes for the short-, medium- and long-terms
- A financial plan to finance the proposed improvements and recommend concession strategies/privatization options, if appropriate
- Evaluation of environmental and development impacts associated with the recommended projects

The Master Plan also analyzed the objectives of: designing a new parallel taxiway that can also be used as an alternate runway, expanding the current runway, relocating the existing passenger terminal to a new facility, modernizing the cargo terminal, installing new security and navigations systems, and upgrading the airport to meet Chilean and international standards. In addition, the Airports Directorate of Chile (DAP) evaluated the potential for airport privatization.

In addition, the Master Plan served as an investment promotion tool to attract private sector participation and create a roadmap of development for any potential future concessionaire. The project had significant social and economic impacts in the Aisen Region by providing increased accessibility to isolated areas and supporting trade.

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The implementation of the project opened opportunities in the tourism and service sectors and enhance the productivity of the overall air transportation system through increased capacity and higher levels of service. It is anticipated that the projects resulting from the Master Plan will generate new employment opportunities for design and construction of facilities, airport operations and in the tourism sector. Of particular relevance to this project is the increased accessibility that will be provided to Aisen and the potential for export of perishable products, particularly fish, which are a key component of the local economy.

Status and Implementation

The Balmaceda Airport Modernization Master Plan was completed in September 2012.

Project Cost and Financing

The DAP received a USTDA grant in the amount of \$351,200 to move forward with this project. At this time, the proposed development has begun. Projects underway include data gathering and site and environmental surveys.

The implementation of the project is financially viable. The DAP anticipates that a large majority of the projects will be funded through airport revenues and government funds. It is also important to note that Chile has privatized almost all of the airports in the country and the DAP is extremely interested in evaluating potential privatization options for Balmaceda, which could facilitate availability of funds. External sources include the World Bank and the Inter-American Development Bank. Supplier export credits may also be a potential source for funding through U.S. Export-Import Bank.

It is estimated that the implementation for all improvements at the airport will cost approximately \$30 million in the medium-term (7 to 10 years). This would include the construction of a new international passenger terminal and either the expansion of the existing runway or the addition of a new runway. At this time, it is anticipated that the improvements will be financed either through revenues from the airport or through private sector financing.

U.S. Competitiveness and Export Potential

The potential exports are anticipated to exceed \$13 million. Passenger terminal equipment, such as baggage conveyors and handling systems, boarding bridges and security systems, are among the largest potential exports.